

Stipulation Between the Utah Division of Oil Gas and Mining

And

Kennecott Utah Copper

Regarding Potential Appeal to the Board of Oil, Gas and Mining

Of

NOV No. N2007-58-01

**Whereas** the Division of Oil Gas and Mining ("Division") issued Notice of Violation No. N2007-58-01 ("NOV") to Kennecott Utah Copper ("Kennecott") on August 8, 2007; and

**Whereas** following receipt of the NOV, Kennecott informed the Division of its intention to contest both the fact of the NOV and any penalty that might be assessed by the Division; and

**Whereas** Kennecott thereafter requested that the Division hold an informal conference with Kennecott to discuss and seek mutually acceptable terms for resolution of the NOV; and

**Whereas** the Division agreed to a conference, which was held on August 31, 2007; and

**Whereas** the Division and Kennecott agreed, based on progress made at the August 31<sup>st</sup> conference, to continue to work toward a mutually acceptable resolution of the NOV, including further conferences as necessary; and

**Whereas** it is both parties' understanding that under applicable law and regulations, appeal to the Board need not be taken until 30 days after final action by the Division with respect to a contested NOV, including after any conferences, further negotiations, or a decision of the Division Director (if an informal hearing before the Division is requested and held) with respect to the fact of the NOV or the amount of any penalty assessment;

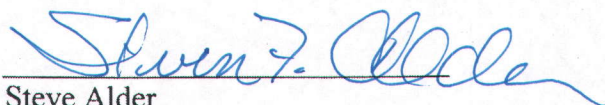
**Therefore** the Division and Kennecott hereby agree:

(1) That the 30 day time period for Kennecott's right to appeal the NOV to the Board does not begin to run until efforts to agreeably resolve the NOV have been exhausted and the Division provides written notice to Kennecott that the Division has taken final action with respect to the NOV and that the period for appeal to the Board has begun, and

(2) That if any third party takes the position that the time for Kennecott to appeal the NOV to the Board has lapsed because the appeal was not filed in a timely manner, that the Division will support Kennecott in defense of any such position unless Kennecott has not filed its appeal within 30 days of the written notice by the Division under Paragraph 1 of this stipulation.

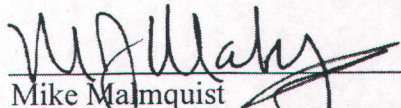
Agreed to effective this 7th Day of September, 2007

By:

  
Steve Alder

Counsel for the Division of Oil, Gas and Mining

By:

  
Mike Malmquist

Counsel For Kennecott Utah Copper